

Dairy

The 1986 Act increases the deduction taken from the price of milk received by producers to fund the whole herd buy-out program. The act increases the deduction as much as \$0.12 per cwt during April 1, 1986, through September 30, 1986, to offset the March 1 reductions in Federal payments required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Gramm-Rudman-Hollings).

The 1986 Act also requires the Secretary to hold a hearing within 90 days of receiving a proposal to amend a milk marketing order to provide for marketwide service payments. Implementation of the service payments, if approved, would be required within 120 days after the hearing (see the Milk Marketing Order section of title I).

Advance Recourse Loans

The 1986 Act expresses a sense of Congress (a nonbinding request) that the Secretary should provide the advance recourse loans authorized in title X of the 1985 Act to 1986 commodity program participants. However, the 1986 Act restricts the loans to producers unable to obtain credit elsewhere to finance production of the 1986 crop and limits the loans to \$50,000 or 50 percent of the estimated price support loan (based on the program yield and farm program acreage intended to be planted), whichever is less. Producers must provide a first lien on the crop as security for the loan and obtain crop insurance.

Special Assistant for Agricultural Trade and Food Assistance

The 1985 Act created the position of a Special Assistant for Agricultural Trade and Food Aid (title XI). The 1986 Act, aside from changing the title slightly, requires that the person be appointed by May 1, 1986. The eligible salary would be changed from level I to no less than level III of the Executive Pay Schedule, as determined by the President.

Targeted Export Assistance

The 1986 Act changes the 1985 Act to require that at least \$110 million of CCC funds or commodities be used annually in fiscal years 1986-88 for a targeted export assistance program. The 1985 Act (title XI) had set the minimum level at \$325 million annually.

Market Development and Expansion

The 1985 Act mandated that at least \$2 billion in CCC-owned commodities be used during fiscal years 1986-88 on export market enhancement (title XI). The 1986 Act changes that level to at least \$1 billion, but not more than \$1.5 billion in CCC-owned commodities over the same period. The 1986 Act retains the provision, however, that the commodities should be used in equal amounts in each of the fiscal years.

Overseas Donations Under Section 416

This provision requires the Secretary to estimate year-end, uncommitted CCC stocks by March 31, 1986. The Secretary must also publish an estimate of the amount of CCC stocks to be used under section 416 (title XI) during fiscal year 1986 in the Federal Register by March 31, 1986.

Food Stamps

The 1986 Act changes the due date of the required Food Stamp Program quality control studies (Program Administration section of title XV) from December 23, 1986, to 1 year after the contract is signed by USDA and the National Academy of Sciences. No date is set for the study contract itself. The 1986 Act also extends the deadlines for publishing regulations and implementing the revised quality control system until 6 months after the reports are submitted to Congress.

External Combustion Engine Research

This provision permits CCC to export up to \$30 million in agricultural commodities per year to finance research and development of external combustion engines using nonpetroleum fuels.

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